



Social Venture Partners Portland Investee Final Report

Investee: Morrison Child and Family Services

Investee Contact: Linda Vigesaa

SVPP Lead Partner: Eli Lamb

Investment Period: Q4 '01 – Q4 '05

Annual Operating Budget: \$22,000,000

Final Report

Investee Mission and Vision:

Morrison Child and Family Services is one of the largest non-profit organizations serving children in Oregon. Whether they suffer from abuse, neglect, drug exposure or addiction, behavioral/emotional disorders, or have been involved in the juvenile justice system, Morrison helps these children and their families live happier, healthier lives. With 18 locations throughout the Portland metro area, Morrison provides a continuum of care for children from infancy through adolescence, including prevention and education, outpatient, day treatment, residential and foster care programs.

SVPP Investment and Objective:

The initial SVP grant of \$40,000 was awarded in November 2001 to support the "Connections for Children" Information Technology Project. This project envisioned the deployment of off-the-shelf, industry standard technology throughout Morrison and its partner organizations (Arras, Janus). Our investment was renewed in 2002 when another \$40,000 was awarded, used primarily to purchase computer hardware. Our 2003 grant of \$53,600 was used to purchase equipment for site upgrades, enabling Morrison to continue preparing their sites for deployment of client-tracking and other services.

Our 2004 grant of \$20,000 has been used to pay for consulting for project management.

SVPP's primary objectives are to see the completion of a re-designed website (DONE) able to present information mined from a new client-tracking database (FIRST DEPLOYMENT SCHEDULED FOR 2006).

Investment Accomplishments:

CONNECTIONS FOR CHILDREN

When SVP began investing in CFC, we were very naïve about the size of the challenge facing Morrison. It is not too much of an exaggeration to say that this \$17M/year organization had no IT infrastructure. There was one IT staff, no internal network, and no consistent internet access. A \$3 million dollar IT plan had just been completed with few actual dollars available to implement. Morrison had also just hired their CIO (Chief Information Officer). The financial management system was so ancient that it only ran on a particular vintage PC that sat under the CFO's desk. What PCs there were had generally out of date hardware and software and no virus protection. Different programs were using different forms for the same function. Clients had to be admitted to each individual program, with one admissions desk asking for the same set of data that had been requested by another admissions person at another site. When IT began to try to collect data on expenses incurred for IT and telecommunications, it emerged that the finances were inconsistently managed and tracked across the various programs. All time cards were filled out by hand and had to be physically delivered



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to payroll. All client records were kept in hardcopy files that had to be transferred from location to location as needed.

Almost immediately, government revenues fell and so government funding for Morrison's services was cut at the same time that private donations were down due to the post-bubble economy. Our expectation was that individuals made wealthy by the internet boom would contribute substantially to this \$3M project. That did not happen.

What emerged from this was a robust, incremental plan for establishing and deploying infrastructure elements as funding allowed. Work on the client tracking system had to wait for more dire needs: meeting HIPAA requirements and replacing the financial management software. As we progressed, we looked for ways to cut costs at Morrison in order to use those "found" dollars to help fund CFC. Cost-cutting and cost-avoidance became a major focus of the partnership. Linda Vigesaa was the primary hero here, convincing corporations and individuals to donate over \$1M in hardware, software, and services. Her work on centralizing IT and telecommunications costs forced standardization and streamlining, saving over \$100,000 on telecommunications alone. But the lack of cash delayed us repeatedly.

A partial list of CFC accomplishments over the four years includes:

1. Immediately deployed an "intranet" for Morrison to show progress and cut costs. This was replaced by a real intranet about a year later.
2. Continuously published a monthly newsletter to inform employees about CFC plans and to educate them on using IT services.
3. Quickly developed a shared vocabulary and appreciation for systems analysis, project management, and user-sensitive deployment that set the tone for all future work.
4. Quickly selected the client tracking software (TIER) to be used. Its capability for integration with the financial management software turned out to be a key advantage.
5. Developed new website once new branding was in place. Later added on-line contribution capability and e-newsletter.
6. Implemented infrastructure security.
7. Implemented Microsoft Exchange for mail and scheduling.
8. Implemented an upgraded, centralized IT infrastructure addressing network, security, servers and desktops.
9. Supported implementation of new financial management software (Great Plains).
10. Implemented an ongoing program for HIPAA compliance from a system perspective as well as an overall data handling perspective.
11. Due to upgrades and standardization, support calls stabilized. Service Level Agreements for client contact and communication are being met.
12. Sites that have been upgraded have reliable systems; upgrades are done remotely with no client disruption.
13. Data is backed up reliably and from a central location, relieving program staff of this manual process.
14. The general culture changed to a model of centralized services and disciplined project management:
 - Forms related to the Billing process have been standardized.
 - Telecommunications services have been centralized.
 - Changes are scheduled and communicated using an IT Change Control process.
 - The TIER Billing project was done using standard project methodology.
 - A development environment was implemented and utilized for TIER Billing.



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- Increased overall efficiency through streamlined and standardized business functions – HR, Finance and Operations.
15. Requested and received a Microsoft software grant valued at over \$400,000 which addresses all standard office upgrade needs.
 16. Cashflow: Turnaround to receive payment has been reduced from 8 weeks to 5 days due to electronic billing (TIER+Great Plains).
 17. Over 90% of Morrison staff have now been fully upgraded - infrastructure and workstations.
 18. Investee programs have benefited in many ways by utilizing new tools. Examples include:
 - Programs have automated paper processes using standard office tools. These include various log sheets/check-in sheets, etc.
 - Programs have implemented electronic scheduling and calendar functions saving time in manual calendar coordination.
 - Programs have increased the use of Email for standard communication both in their own programs, other programs and other organizations.
 - Programs can now share files with other locations that have been upgraded. This has eliminated manual sharing of existing client information and the need to pass disks and paper back and forth.
 - Programs with upgrades are now using E:time for payroll tracking which eliminates the cumbersome manual time sheet process. This saves time and resources for the programs as well as the Payroll department.

In addition to CFC, SVP volunteers took on two new projects. The first, facilities management, was directly related to the deployment of CFC and represented a substantial cost-cutting/avoidance opportunity. The second, workforce, was a strategic opportunity which has not yet been realized.

FACILITIES MANAGEMENT

In trying to plan for which buildings should get expensive wiring (network and power) upgrades to support CFC, it emerged that Morrison had 18 locations and 57 buildings with no strategic plan and no single management owner. Our hero in this area was/is Ellen Macke who has spent countless hours working on massive spreadsheets attempting to deliver a clear picture of the costs and benefits of the various buildings.

Accomplishments in this space include

- Outsourced building maintenance for a savings of over \$50,000 per quarter
- Consolidation of service contracts (cleaning, security, etc) where cost-effective
- Consolidation of Morrison management office space, enabling future savings
- Analysis of all buildings, owned and leased, with recommendations for sale or retention for savings of over \$100K

WORKFORCE

- Our volunteer, Jean Hart, worked virtually full time on researching, explicating, and seeking funding for an innovative approach to the Morrison workforce challenges. In part, this was an effort to overcome the dual problems of staff turnover and the scarcity of qualified applicants.



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Investment Impact*:

Category	4Q01-2Q05
SVPP Direct Financial Investments (Grants)	\$153,600
Donations from partners, friends, and businesses solicited by SVPP	\$83,706
Value of volunteer hours from partners and friends	\$353,525
Operational savings from SVPP-supported Projects/Initiatives	\$1,151,919
Total	\$1,742,750

* Direct Investment is the actual cash transferred to the investee. Total Impact also includes donations from partners and friends, the value of volunteer hours, and the operational impact (e.g. cost savings, new capabilities) from SVPP projects. The value of volunteer hours is calculated using from \$10/hour to \$120/hour depending on the type of work performed. Projected operational impact is a projection of the financial cost savings and the financial impact of the new capabilities of the SVPP-supported projects over the first 3 years of their implementation.

SVP Volunteers and Friends:

CFC Project Team: **Gip Lockwood** (project management), **Lynda Mueller** (client communications), **Ralph Leftwich** (training and documentation), **Drew Bernard** (web liaison), **Eli Lamb** (lead partner), Scott Lewis (systems design and integration), Jesse Beason (newsletter), Stephen Hilgart (telecommunications), Jack Boudreau, Craig Siegel, OJ Ngo, Mark Brown (ProDX), Paul Spindel.

Facilities Management: **Ellen Macke** (lead), **Boyce Smith**, **Bruce Murray**.

Workforce: **Jean Hart**

Morrison, Arras Board Member: **George Alexander**

Fundraising: **Allison Gregory**, **Iraj Vojdani**.

PC Mentors: **Laurie Weiss**, **Suzanne McGrath**, **Marina Johnson**, Gary De Leon, Russ Martinelli.

Strategic Advisors and Committee Members: **Jeff Grubb**, **Megan Leftwich**, **Leslie Trim**

Investee Feedback

From Jay Bloom, 9 months into our investment:

SVPP's decision to invest and work with us in December last year is already paying major dividends. Late last year we completed an ambitious internal IT plan and hired our first full time



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CIO in November. The SVPP volunteers in January immediately hit the ground running, working from our CIO's perspective as a virtual IT division providing valuable managerial and large project experience in addition to the obvious IT skills. At the heart of our IT plan is to utilize external and internal web sites to communicate more effectively to our many stakeholders.

Morrison Center has 18 offices with 29 different databases and we have been learning the meaning of the quote by Lou Gerstner, CEO of IBM, "we discovered what every large company has. When you bring your company to the Web, you expose all the inefficiency that comes from decentralized organizations."

From Linda Vigesaa at various points:

We wouldn't be where we are today organizationally or technically without SVPP.

SVPP's involvement and support gave Morrison management the confidence to embark in a large-scale infrastructure project in using standard business methodology.

SVPP supplements the IT team to provide the resources that a non-profit IT department cannot sustain as ongoing team members.

SVPP was my "ray of hope" when I saw the reality of what had to be done to be able to implement the type of systems we were tasked to do – and they came through quickly and efficiently with experienced, talented IT resources. We were able to instantly fall into a regular business routine of project plans and assignments with everyone speaking the same language!

Summary

I often describe our Morrison investment as the "dream" investment. Morrison is very large and so economies of scale can apply. Morrison had very little IT infrastructure so that deploying a modern IT system made a huge difference. Morrison management was committed, patient, and as generous as possible given market conditions. All of this allowed our contributions to be amplified. Today, they are completely independent of us. Their IT team is more than capable of continuing to sustain and advance the effort we began together.
